

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Transportation and Economic Development Appropriations Committee

BILL: CS/SB 164

INTRODUCER: Transportation and Economic Development Appropriations Committee and Senator Lynn

SUBJECT: Qualified Job Training Organizations

DATE: April 18, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Gordon</u>	<u>Cooper</u>	<u>CM</u>	<u>Fav/2 amendments</u>
2.	<u>Martin</u>	<u>Martin</u>	<u>TA</u>	<u>Fav/CS</u>
3.	_____	_____	<u>WM</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This committee substitute creates a new statutory provision regarding job training organizations and does the following:

- Defines the term “qualified job training organization”;
- Requires the Office of Tourism, Trade, and Economic Development (OTTED) to certify such an organization;
- Provides for the distribution of funds to a certified organization and specifies the use of those funds;
- Permits the revocation of certification where funds have been misused; and
- Requires that funds for qualified job training organizations be distributed through OTTED.

This committee substitute creates the following section of the Florida Statutes: s. 288.1171.

II. Present Situation:

A number of job training organizations currently exist in Florida. These organizations train individuals for a variety of jobs ranging from employment in the service industry to executive positions.

Representatives from one job-training organization, Goodwill Industries, report that 95,000 individuals annually participate in vocational programs. Last year, Goodwill helped

approximately 24,000 individuals obtain jobs in Florida resulting in more than \$234 million in new salaries.

Goodwill representatives also report that the majority of the organization's revenue is invested in creating jobs for those with disabilities, developing training opportunities that lead to employment in the local communities and assisting in job placement. The primary source of revenue for Goodwill is its retail operation. It currently operates over 300 stores across Florida which generate over \$100 million dollars annually, employs about 5,700 Floridians and pays more than \$7 million to the state in sales taxes

III. Effect of Proposed Changes:

Section 1 of creates s. 288.1171, F.S., which specifies criteria to become a "qualified job training organization." This section of the bill also outlines OTTED's duties regarding certification of these organizations, funding parameters and the Auditor General's responsibility regarding examining an organization's use of state funds.

Subsection (1) defines a "qualified job training organization" as an organization that:

- Is accredited by the Commission for Accreditation of Rehabilitation Facilities;
- Collects Florida state sales tax;
- Has more than 100 locations within the state;
- Is exempt from income taxation under s. 501(c)(3) or s. 501(c)(4) of the Internal Revenue Code of 1986, as amended;
- Specializes in the retail sale of donated items;
- Provides job training and employment services to individuals with workplace disadvantages and disabilities; and
- Uses a majority of its revenues for job training and placement programs that create jobs and foster economic development.

Subsection (2) provides that, in order to receive funding, an organization must be certified as a qualified job training organization by the Office of Tourism, Trade, and Economic Development. After certification, OTTED may release funds pursuant to a contract that addresses performance conditions and sanctions for failure to meet performance conditions.

Subsection (3) requires that certified qualified job training organizations only use their funding to encourage and provide economic development. More specifically, the funding must be used for capital construction, capital improvements, and the purchase of equipment that will result in expanded employment opportunities.

Subsection (4) provides that failure to use proceeds as required under this bill constitutes grounds for revocation of the organization's certification.

Section 2 states the act shall take effect on July 1, 2006.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None

C. Government Sector Impact:

No funds are provided for distribution to qualified job-training organizations. This committee substitute therefore has no government sector fiscal impact.

VI. Technical Deficiencies:

None

VII. Related Issues:

None.

VIII. Summary of Amendments:

None

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
